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C O N F I D E N T I A L SECTION 01 OF 04 BEIJING 002645

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TAGS: [PREL](#) [PARM](#) [MOPS](#) [PGOV](#) [CH](#) [TW](#)  
SUBJECT: PRC: A TAIWAN POLICY "HAWK" RECANTS

REF: A. BEIJING 1075  
[1](#)B. BEIJING 2435  
[1](#)C. BEIJING 2275  
[1](#)D. BEIJING 1680

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b) and (d).

Summary  
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[1](#)1. (C) Tsinghua University Professor Yan Xuetong, a prominent advocate of using military force to reunify with Taiwan, penned a recent article in the Global Times in which he "apologizd" for his prediction of war before 2008. In the article, he assessed that th cross-Straits situation will be peaceful and stable through 2016, during which time there will be "no danger of military conflict." He argued that the precondition for the current reconciliation is mutual non-denial of sovereignty. Furthermore, he wrote that as long as cross-Straits dialogue is maintained, U.S. arms sales to Taiwan would not disrupt relations between the Mainland and Taiwan--though this point, among others, is sharply rejected by the State Council's Taiwan Affairs Office. In a subsequent meeting with PolOff, Yan said he has not changed his views, but is instead resigned to the fact that "Taiwan is no longer a security issue" and there is no longer any point in advocating the use of force. Yan argued that Hu Jintao's policy of resolving differences and granting Taiwan international space will eventually lead to de jure independence for Taiwan or, at least, "two Chinas." The PRC will come up with "linguistic tricks" to paper over sovereignty disputes to give the leadership political cover for Taiwan's increased international participation, Yan remarked. He expressed concern that with the loss of focus on Taiwan as a military mission, China's military modernization will lose momentum and the People's Liberation Army will become "useless." An editor that ran Yan's article was told that discussions of Taiwan policy, especially any effort to "define" the cross-Straits relationship, are not allowed. A Taiwan Affairs Office (TAO) official condemned Yan's article and said that it does not have any official standing. End Summary.

Apology for Incorrect Prediction  
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[1](#)2. (C) In a June 11 article in the Global Times, owned by the Communist Party's flagship People's Daily, Yan Xuetong, Director of Tsinghua University's Institute of International Studies, conceded that his prediction of a military conflict in the Taiwan Strait before 2008 had proven incorrect. In fact, the outlook for cross-Straits relations through 2016 is for "peace and stability," he wrote, apologizing for his faulty prediction. Yan is a hawk on Taiwan and as recently as March argued that China should use military force to reunify "sooner rather than later" (ref A). Yan wrote that

the Mainland's 1979 policy shift to peaceful reunification and focus on economic development are the primary reasons cross-Strait conflict has been prevented. With the election of Ma Ying-jeou as Taiwan's new president, Yan assesses that 2008 marks the beginning of "new phase" of peace and stability in the Taiwan Strait and there is now "no danger of military conflict."

#### Setting Aside Disputes Means Not Denying Sovereignty

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13. (C) More provocatively, Yan wrote in the article that the precondition for peace in the Taiwan Strait is mutual non-denial of sovereignty. He notes that the two sides have "set aside" different understandings of the 1992 Consensus. He asserts, however, that Ma Ying-jeou's "one China, respective interpretations" version in fact means that there are two sovereign countries within the Chinese culture. Yan relates that Ma used the terms Taiwan and Republic of China interchangeably in his May 20 inaugural address and defined the sovereign territory of his country as including Taiwan, Penghu, Jinmen, and Matsu. Yan said since the April 12 meeting between PRC President Hu Jintao and Taiwan Vice President-elect Vincent Siew at the Bo'ao forum, the Mainland has avoided the phrase "one China" and instead cites the "92 Consensus." Thus, the two sides have set aside the sovereignty dispute and "neither side denies the other's sovereignty," Yan concludes. Yan also writes that it is "inevitable" that the United States will continue to sell arms to Taiwan, but, as long as the Mainland and Taiwan maintain political dialogue, U.S.-Taiwan military cooperation

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will not directly cause tension. It is possible U.S. arms sales to Taiwan will trouble U.S.-China relations, Yan wrote, but this is a "bother" that China has to face.

#### Editor Dialed Back Most Sensitive Part

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14. (C) Wang Wen (protect), editor of the International Forum Page of the Global Times on which Yan's article appeared, told PolOff June 12 that there had not yet been any official negative reaction to Yan's article. Wang said he had "dialed the article back" to make it more acceptable. For example, Yan had predicted that the two sides would end up on an equal footing internationally, like North and South Korea, which Wang deleted. The Global Times has since published two additional pieces commenting on Yan's article. A June 16 article by Liu Hong of Beijing United University's Taiwan Studies Institute took issue with Yan's comments on sovereignty and the implication that Ma Ying-jeou supports independence. The second, by Chen Xiankui, of Renmin University's Marxism Institute, argued that the hard line was actually successful: the Mainland's use of "military strategy and threats" weakened U.S. and Japanese support for Taiwan and obstructed moves toward independence. Wang told PolOff on June 27 that he was "pressured" to publish the two additional articles to water down the impact of Yan's message.

#### No Formal Sanction

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15. (C) Wang said that he had not received a formal warning for publishing Yan's article. Wang speculated that he escaped formal censure because Yan's article simply makes factual statements. Nevertheless, propaganda watchdogs at his paper told Wang that for now, speculative discussions of the Mainland's Taiwan policy are taboo. In particular, there should be no effort to "define" issues related to Taiwan, such as One-China, sovereignty, or the 92 Consensus. Wang said that former Chinese Academy of Social Sciences (CASS) Institute of Taiwan Studies President Xu Shiquan and TAO Deputy Director Sun Yafu strongly oppose Yan because of his hard-line views, and now reflexively object to everything Yan

writes. As a result, Yan has been excluded from Taiwan policymaking circles since 2005, when Hu Jintao formulated the "our nevers" and set a new direction for Taiwan policy. Wang said that recent policy shifts on Taiwan and the East China Sea agreement with Japan signal that the PRC Government is trying to set aside disputes, cut deals and "sell a little sovereignty" so leaders can focus on the Mainland's myriad domestic problems.

#### TAO Rejects Yan's Comments

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¶6. (C) In a meeting with PolOff on June 18 (ref B), State Council Taiwan Affairs Office (TAO) Official Li Li dismissed Yan Xuetong's comments, saying that they carry no official weight. Li remarked that the only thing Yan's article demonstrates is that an increasing variety of opinion can be found in China's newspapers. Regarding Yan's statement that both sides do not deny the other's sovereignty, Li commented that if that were true, there would be no need to "set aside disputes" because the only dispute is over sovereignty. He also said that PolOff "should know how seriously" China views U.S. arms sales to Taiwan. Li said that this sudden conversion of a well-known hardliner only shows that Yan is not a "serious" scholar.

#### Yan is Resigned Rather Than Contrite

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¶7. (C) Yan told PolOff June 25 that there is now a "durable peace" between the two sides of the Strait and that "Taiwan is no longer a security issue." He explained, however, that his article was a "prediction," not a statement that he supports the direction of current policy. Yan said he stands firm in the belief that use of military force is the only way to prevent Taiwan's de jure independence and that current policy will inevitably lead to Taiwan's formal separation from the Mainland. Yan noted that he and those who share his views are "in the minority" and have essentially lost the debate. Yan said that he is "resigned" to the current policy and that there is no longer any point in arguing for the use of force because "it is not going to happen."

¶8. (C) Yan argued that the mainstream view now championed by

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Hu Jintao is to seek a peaceful settlement of disputes and give Taiwan international space. Giving Taiwan international space, Yan argued, will result in de jure independence for Taiwan. Supporters of Hu's policy hope that economic integration will eventually result in a "de facto one China."

However, that the best they can hope for is "de facto two Chinas." Eventually, he argued to PolOff, the political relationship will be just like it is between the two Koreas and the two sides will be treated internationally as separate sovereign states. The Chinese leadership, Yan claimed, "cares only about money" and promoting peace to further economic development.

#### Hu's "Wisdom" a Code for "Linguistic Tricks"

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¶9. (C) Yan said that Hu Jintao has signaled that China will come up with "linguistic tricks" to get past sensitive political issues with Taiwan. Yan called PolOff's attention to the use of the term "wisdom" in Hu's recent comments on Taiwan. (Hu told Straits Exchange Foundation Chairman P.K. Chiang on June 13 that the two sides have the "wisdom and ability" to overcome obstacles in cross-Strait relations, a refrain we have also heard from TAO and MFA officials in the past two months.) Yan said that this term is historically applied to Henry Kissinger's "wisdom" in using the word "acknowledges" in the context of the phrase "the United States acknowledges the position of both sides that there is one China and that Taiwan is a part of China." Yan predicted that the Mainland would use similar "linguistic tricks" to

allow Taiwan into international organizations and to get past the sovereignty question. On the WHO, for example, Yan predicted that China will come up with some "special status" to allow Taiwan to participate. He argued that this arrangement will give Chinese leaders "domestic political cover" over Taiwan's expanded international participation.

#### Less Emphasis on Sovereignty

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¶10. (C) Yan defended his comments about not denying Taiwan sovereignty saying that, despite official rhetoric, this is the "true direction" of China's Taiwan policy. After all, he said, no one has yet rejected Ma's proposal for "mutual non-denial" in which neither side denies the other's existence. Despite Western views that China is one of the staunchest defenders of the sovereign nation-state concept, there will be "less and less" emphasis on sovereignty and fewer complaints about "interference" in internal affairs from China's leaders.

#### Military Modernization to Suffer

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¶11. (C) Yan predicted China's military modernization will suffer from cross-Straits peace. Focusing on Taiwan force options has given direction to the military in terms of training, acquisition and budgets. Now, since China's military will not be focused on Taiwan, Yan predicted that it will participate more and more in international peacekeeping operations. While there are those in the military who will argue for a "great power" military and broader strategic missions, Yan predicted that China's military modernization will gradually lose momentum and the PLA will become "useless." The Chinese military has changed the least of all Chinese institutions over the 30 years of opening and reform.

He remarked that Chinese leaders see military expenditures as a burden and that they will only pay "lip service" to the military and then gradually reduce military budgets. Yan said that there has not been a negative reaction from the military to his article, because the PLA is also resigned to the current policy direction. He repeated an assertion in his article that the two sides will "engage in military exchanges on an equal basis." Yan said that if a peace accord is reached the Mainland will formally rule out the use of force. Asked about Deng Xiaoping's dictum never to forsake the use of force on Taiwan, Yan replied, "Deng said that 'two Chinas' was unacceptable too, but Deng is dead."

#### Yan Answers His Critics

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¶12. (C) Yan said that he had read the two articles in the Global Times and some of the online commentary responding to his article. Although he personally had not received any official reaction to his article, he suspected that the Global Times is under pressure to publish "some articles" and

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was not surprised that the first was titled "There is Only One China, Sovereignty Cannot be Divided." He said he did not know either author and that they did not appear to have a clear understanding of Taiwan policy. This was even truer of online postings, Yan claimed, where most commentators either did not understand his arguments or simply questioned his mental health.

#### U.S. Policy Success

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¶13. (C) Yan commented that the United States appears to be getting what it wants on Taiwan policy. First he noted that U.S. opposition to the DPP's referendum on joining the UN under the name Taiwan could be a "textbook case" of how to accomplish policy goals through soft power. Secondly, in the 1960s the United States had proposed "two Chinas" or

"one-China, one-Taiwan," but both were rejected by Chiang Kai-shek. Later, however, Li Teng-hui favored the first option and Chen Shui-bian preferred the second, Yan commented. Ma, he argued, is no different than Chen except that he wants independence for the Republic of China rather than for the Republic of Taiwan. Thus, the current reconciliation between the Mainland and Taiwan represents progress toward realizing this longstanding U.S. policy goal, Yan argued. He also acknowledged that the United States certainly "has something to do" with the question of "Who maintains peace in the Taiwan Strait," the title of his original article.

Comment

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¶14. (C) Yan, who has a flair for the dramatic, appears to be taking a deliberately provocative, extreme position on where the current policy will lead. Yan's argument that there is now no danger of cross-Strait conflict, a claim repeated by others such as Assistant Foreign Minister He Yafei (ref C), is so notable because Yan has always been a strong advocate for the use of force against Taiwan. We assess that Yan's key questions involving sovereignty, Taiwan's international space and the future direction of China's military are still under review in Zhongnanhai. Nevertheless, it is significant that Yan's envelope-pushing article and other unorthodox ideas for resolving the Taiwan question, such as a recent call by prominent economist and "princeling" Lu De to forsake "one Country-two systems" and consider a federation approach, are beginning to appear in public debate.

RANDT